

SENATE BILL No. 213

DIGEST OF INTRODUCED BILL

Citations Affected: IC 21-2-21-1.8.

Synopsis: School bonds for retirement liability. Provides that a school corporation that issued bonds to cover retirement or severance liability under a prior statute (which was repealed on December 31, 2004) may issue bonds one additional time for that purpose if the first bond issue was approved by the department of local government finance before April 14, 2003. (Current law permits a second bond issue only if the first bonds were actually issued before April 14, 2003.) Provides that the additional bonds must be issued before January 31, 2007.

Effective: Upon passage.

Broden

January 9, 2006, read first time and referred to Committee on Tax and Fiscal Policy.

C
o
p
y



Introduced

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

SENATE BILL No. 213

A BILL FOR AN ACT to amend the Indiana Code concerning education finance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 21-2-21-1.8, AS ADDED BY P.L.214-2005,
2 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 1.8. (a) For purposes of this section,
4 "retirement or severance liability" means the payments anticipated to
5 be required to be made to employees of a school corporation upon or
6 after termination of the employment of the employees by the school
7 corporation under an existing or previous employment agreement.

8 (b) This section applies to each school corporation that:

9 (1) did not issue bonds under IC 20-5-4-1.7 before its repeal; or

10 (2) issued bonds under IC 20-5-4-1.7:

11 (A) before April 14, 2003; or

12 (B) after April 13, 2003, if an order approving the issuance
13 of the bonds was issued by the department of local
14 government finance before April 14, 2003.

15 (c) In addition to the purposes set forth in section 1 of this chapter,
16 a school corporation described in subsection (b) may issue bonds to
17 implement solutions to contractual retirement or severance liability.

2006

IN 213—LS 6816/DI 44+



C
o
p
y

The issuance of bonds for this purpose is subject to the following conditions:

(1) The school corporation may issue bonds under this section only one (1) time.

(2) ~~The A~~ school corporation **described in subsection (b)(1) or (b)(2)(A)** must issue the bonds before July 1, 2006. **A school corporation described in subsection (b)(2)(B) must issue the bonds before January 31, 2007.**

(3) The solution to which the bonds are contributing must be reasonably expected to reduce the school corporation's unfunded contractual liability for retirement or severance payments as it existed on June 30, 2001.

(4) The amount of the bonds that may be issued for the purpose described in this section may not exceed:

(A) two percent (2%) of the true tax value of property in the school corporation, for a school corporation that did not issue bonds under IC 20-5-4-1.7 before its repeal; or

(B) the remainder of:

(i) two percent (2%) of the true tax value of property in the school corporation as of the date that the school corporation issued bonds under IC 20-5-4-1.7; minus

(ii) the amount of bonds that the school corporation issued under IC 20-5-4-1.7;

for a school corporation that issued bonds under IC 20-5-4-1.7 ~~before April 14, 2003:~~ **as described in subsection (b)(2).**

(5) Each year that a debt service levy is needed under this section, the school corporation shall reduce the total property tax levy for the school corporation's transportation, school bus replacement, capital projects, or art association and historical society funds in an amount equal to the property tax levy needed for the debt service under this section. The property tax rate for each of these funds shall be reduced each year until the bonds are retired.

(6) The school corporation shall establish a separate debt service fund for repayment of the bonds issued under this section.

(d) Bonds issued for the purpose described in this section shall be issued in the same manner as other bonds of the school corporation.

(e) Bonds issued under this section are not subject to the petition and remonstrance process under IC 6-1.1-20 or to the limitations contained in IC 36-1-15.

SECTION 2. An emergency is declared for this act.

C
o
p
y

